



The Americas Update

September 2003

Export News

Argentina- The Government of Argentina has approved the use of Liquefied Petroleum Gas (LPG) as vehicular fuel. This fuel, currently used only for cooking and heating purposes in areas not served by the natural gas distribution grid, will compete with gasoline, diesel fuel, and Compressed Natural Gas (CNG). Significant investment will be required in gas stations, refineries, and bus fleets to allow for extended use of this alternate fuel, which will initially be subsidized by the government. This development presents significant market opportunities for U.S. suppliers of specialized equipment related to LNG production, transport, fueling stations and vehicle conversion. (IMI 9/03)

Brazil- According to a recent plan presented by the Executive Secretary of the Ministry of Transportation Keiji Kanashiro, the Brazilian Federal Government's Plan for 2004-2007 includes projects that will require investments of approximately US\$ 3.7 billion in transportation infrastructure. Highways should receive investments of approximately US\$ 2.2 billion, railroads US\$ 770 million, waterways US\$ 280 million, and ports US\$ 470 million.

Projects on the government's priority list are important to improve the flow of goods and reduce transportation costs, especially agricultural products. Implementation will depend to a large extent on private sector investments. According to Mr. Kanashiro, the government is currently working on the legal framework for the "Public-Private Partnership"(PPP) that should attract private investments in infrastructure projects.

Although Brazil is fairly self-sufficient in engineering and construction services, transportation infrastructure projects offer excellent opportunities for U.S. companies that supply rolling stock, signaling and communication equipment, train control systems, and intelligent transportation systems. (IMI 9/03)

Canada- The metal valve industry in British Columbia (B.C.) consists of establishments primarily engaged in selling valves used in fluid flow control for plumbing and heating

applications in buildings. They include gate valves as well as ball valves.

In light of the one billion dollars dedicated to infrastructure projects related to the 2010 winter Olympic games to be held in Vancouver, the valve industry in British Columbia is expected to expand greatly in the coming months and years as multiple construction projects get under way. According to a local industry expert, second quarter sales for 2003 have exceeded those in the previous year by approximately 5%. Furthermore, nationwide revenues in the metal valve industry have increased at an average annual compound growth rate of 5.2% over the last decade, and now equal approximately \$880 million. (IMI 9/03)

Mexico- According to a new survey, many Mexico City residents do not feel safe. Mexico City is a large and growing market for security equipment and service providers.

Private security firms have been experiencing rapid growth throughout Mexico. The security industry employs approximately 350,000 people in the entire country and is growing at a rate of 10% a year. Popular security devices include home alarms connected to security companies, guard dogs, and video cameras activated by doorbells. More recently, high tech systems such as satellite tracking devices for cars, implanting microchips to track humans in case of kidnapping, and external tracking devices for kidnap victims have gained in popularity. (IMI 9/03)

Mexico- The Minister of Tourism announced the commencement of work for the tourism development project near Cancun, Mexico. This project is expected to involve investment of more than \$1,000 million U.S. dollars in the next 10 years. Projected by the Mexican Government to be the most exclusive tourism resort in the world, the construction of this mega project covers several hotels to complete 2,000 rooms, at least 2 golf courses (18 holes), 1 residential project for 5,000 houses and 1 marina with the capacity for 215 vessels. This project is located to the north of Cancun beach front near the island called Isla Mujeres. (IMI 9/03)

Panama- The Panamanian Public Utility Regulator (ERSP for its acronym in Spanish) announced that it will call for an

international bid to purchase electric energy. Purchase contracts will be valid for up to eight years. The eight year time frame is supposed to allow investors to develop new projects. The purpose is to increase the supply of energy so prices can decrease. The current contracts are valid for only four years. The bid is expected to be announced by the end of 2003. (IMI 9/03)

Venezuela- The Venezuelan Ministry of Production and Commerce (MPC) has issued regulation No. 440 mandating the incorporation of labels for all imported textile merchandise. Labels must be affixed at manufacturing centers, thus placing an additional cost on U.S. manufacturers and exporters. Failure to comply could cause the legal abandonment of the merchandise or its re-exportation with the subsequent inconveniences to the U.S. exporter. (IMI 9/03)

International Marketing Insights (IMI) are short profiles of specific market conditions or opportunities prepared in overseas markets and multi-development banks. For complete reports, contact the nearest Commercial Service office.

Bioterrorism Act 2002- Many facilities and individuals engaged in the production, importation and distribution of food will have to meet new requirements from the FDA beginning December 12, 2003 (FDA plans to publish the final registration and prior notice regulations by mid-October 2003). Mandated by the *Public Health Security and Bioterrorism Preparedness and Response Act of 2002* (the Bioterrorism Act), one of these new regulations would require registration of domestic and foreign food facilities that manufacture, process, pack or hold food for human or animal consumption in the U.S. Another would require prior notice to FDA of food imported or offered for import into the U.S. A third regulation would specify information that must be included and retained in records that would identify the immediate previous sources and immediate subsequent recipients of food. Lastly a fourth regulation identifies procedures under which FDA would administratively detain food that presents a serious health threat to humans or animals.

For more information consult the FDA's website on the Bioterrorism Act:

<http://www.fda.gov/oc/bioterrorism/bioact.html>.

Regional Focus

Destination Central America-Are You Ready For The Central America Free Trade Agreement (CAFTA)?

The U.S. exported \$8.8 billion to Central America in 2000 - more than it sold to Russia, Indonesia, and India combined. NAFTA partners Mexico and Canada recognize the potential of the Central American market and the need to support Central American reforms by pursuing free trade

agreements with countries in the region.

During the last decade, Central American countries established democratic systems of government and began implementing economic reforms to promote privatization, competition, and open markets. CAFTA supports democracy and economic reforms, enhancing economic growth and human rights.

CAFTA negotiations advance the Free Trade Area of the America (FTAA). Working together on common disciplines and trade objectives through bilateral negotiations enhances the ability of all the parties to forge consensus in multilateral trade negotiations, especially the FTAA. CAFTA increases the momentum in the hemisphere toward lowering barriers, opening markets, and achieving greater transparency, complementing the United States' goal of completing the FTAA no later than January 2005.

For more information on doing business in Central America, and/or the new regional Platinum Key Service contact:

CS El Salvador, Regional SCO Daniel Thompson
www.buyusa.gov/elsalvador/en

CS Guatemala, SCO Mitch Larsen
www.buyusa.gov/guatemala/en

CS Costa Rica, SCO Margaret Hanson-Muse
www.buyusa.gov/costarica/en

CS Honduras, ITS Rossana Lobo
www.buyusa.gov/honduras/en

Trade Events

EXPO COMM MEXICO 2004, a U.S. Department of Commerce certified trade show and in its 13th year, is Mexico's leading telecom, IT, wireless, networking and Internet technologies exhibition and conference. It will take place in the USA Pavilion and Product Literature Center February 10th through the 13th 2004.

For more information, contact:

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Phone: 301-493-5500 x3312 or
Angeles Avila of the U.S. Embassy in Mexico
Angeles.Avila@mail.doc.gov
Phone: 011-52-55-5140-2621.

Las Americas Security Show 2003

The U.S. Commercial Service, U.S. Embassy in Mexico encourages U.S. companies interested in market opportunities in Mexico to participate in Mexico's and Latin America's leading and international security exhibition and conference,

LAS AMERICAS SECURITY SHOW 2003. It is located at the USA Pavilion and Product Literature Center January 28-30, 2004.

For more information, please contact:

Penelope Martínez, Trade Specialist of the U.S. Embassy in Mexico City

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Phone: (011-52-55) 51402617

Second Central American and Caribbean Water Fair; the First Central American Environmental Exposition, Panama

The Panamanian Environmental Authority, the Central America Commission for Development and Environment and other organizations announced the Second Central American and Caribbean Water Fair and the First Central American Environmental Exposition to be held on November 25-30, 2003, at the Panama Hotel in Panama City.

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The objectives of these events are:

1. To contribute in the establishment of consensus in the issues related to the role of water for human sustainable development in the social, political and environmental spheres.
2. To share experiences and good practices in water management.
3. To promote a permanent dialogue and information exchange between the different actors and water users in the region.

This is a good opportunity for U.S. manufacturers or distributors of environmental equipment, supplies and services to reach the Central American market and learn about the region's major environmental projects.

For more information contact:

Expo Ambiente Centroamericana

Coordination Committee

Phone: 506-280-1530'

Fax: 506-280-2494

E-mail: info@expoambiente.org

P.O. Box 1449-1002

San Pedro, Costa Rica

U.S./Central America Business Week in Houston

Houston will host the Eighth Round of Negotiations for the U.S./Central America Free Trade Agreement (U.S./CAFTA) during 20-24 October 2003. As a result of these official negotiations taking place in Houston, the city will host the *U.S./Central America Business Week in Houston*. You are invited to participate in the following business activities with U.S. and Central American business executives from the five U.S./CAFTA participating countries of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. The itinerary includes:

- "Business Without Borders: New Ties Between the U.S. and Central America" business conference

- Opening reception
- Import/Export Seminar on Central America
- On-site visits
- Prescheduled one-on-one meetings pending availability

For more information, contact The Greater Houston Partnership:

Cari Broderson, Phone: 713-844-0235

cbroderson@houston.org, or www.houston.org

The Association of American Chambers of Commerce in Latin America (AACCLA) Business Future of the Americas Conference-- Making Free Trade Work: A Hemispheric Challenge, Costa Rica, November 9-11, 2003

The Costa Rican American Chamber of Commerce and the Association of American Chambers of Commerce in Latin America are proud to invite you to a hemispheric conference on business and trade that brings together the top tier of the US, Latin America and Caribbean business communities along with selected public figures that have had an impact on the political and economic environment of the region.

The hemispheric trade agenda is moving forward at an accelerated pace. The Chile FTA is signed and the deadline for the Free Trade Area of the Americas is fast approaching. By November 2003 the final and most difficult part of the negotiations for a US - Central America Free Trade Agreement (CAFTA) will be taking place in the hopes of reaching a final agreement by December 2003. As NAFTA did on Mexico, CAFTA will have a tremendous impact on the Central American region. However, Free Trade Agreements do not bring economic growth and prosperity without strong government institutions and sound monetary policies. Some Latin American economies are suffering serious economic difficulties, others are in political turmoil. How are US and regional companies meeting the challenges of doing business in the region and how are they seizing upon the opportunities provided by long lasting trade agreements? This one day conference will provide participants with unique insights into the world of doing business in Latin America.

For more information and to register contact:

Costa Rican American Chamber of Commerce

www.amcham.co.cr/bfa

Useful Website:

United States Trade Representative

www.ustr.gov